



Federal Transportation Program Reauthorization

Updated: March 16, 2005

The House of Representatives adopted (417-9) its version of Transportation Authorization legislation the week of March 7 – proposing how to allocate Federal transportation funding for the next six years. This report:

- Assesses how the House bill affects the San Diego region
- Previews Senate consideration of the bill

Background

The Federal government taxes gasoline and other transportation related purchases for purposes of funding the Transportation Trust Fund. The Transportation Authorization Act establishes a six year plan for the expenditure of these funds. Three issues dominate congressional debate:

1. Level of overall funding for transportation
2. How the total funding level will be divided between several programs: highways, transit, safety, border/trade corridors and new technology
3. Distribution formulas that determine each state's share of funding

San Diego's long term transportation program is outlined by a federally mandated Regional Transportation Plan (RTP) - Mobility 2030. This 30 year plan projects revenues of \$42 billion, as follows:

State	\$13.6 billion
• Current Taxes	\$11.8 billion
• Future Increases	\$1.8 billion
Federal	\$8.5 billion
• Current Taxes	\$6.7 billion
• Future Increases	\$1.8 billion
Local	\$19.7 billion

“Current taxes” describes our regional share if gas taxes remain at their current level during the 30 year period – while “future increases” anticipates funding ABOVE current tax levels based upon an historical average of transportation funding increases in the past.

Analysis

Funding Issues

Federal transportation funds are generated by collection of a 22.5 cent tax on each gallon of gas, as well as additional user fees. In aggregate, these funds are projected to generate between \$225 billion and \$300 billion nationally during the next 6 years. Current and proposed spending levels:

	6 yr Total	Highways	Transit	Safety	Minimum Guarantee
Current	\$223	\$173	\$36.2	\$TBD	90.5%
Admin	\$284	\$217.4	\$49.1*	\$TBD	90.5?
House	\$284	\$225.5	\$52.3	\$6.1	90.5%
Senate	\$318	\$233.5	\$56.5	\$TBD	95% (2009)

* Guaranteed Funding of \$43 billion. Additional revenues at risk unless General Fund revenues are dedicated

Defining San Diego's Interests:

- The Administration and House funding levels would roughly meet RTP 2030 baseline Federal revenue projections ("current taxes")
- The Senate plan would begin to address the \$1.8 billion "future" revenue increase projected by the RTP
- Increasing the "minimum" guarantee will benefit California – and thus San Diego – as the State is receiving less money back than it pays into the Highway Account.

Priority Issues

- Total funding level: Region favors highest possible funding
- Minimum Guarantee: San Diego favors a minimum guarantee of 95%

Demonstration Projects - Local Earmarks

Thanks to the support of San Diego's congressional delegation, the House bill proposes funding for the following regional projects:

1. 8th Avenue Pedestrian Bridge \$1 million
2. San Ysidro "Mi Puebla" Traffic Circle \$300,000
3. San Diego River Bicycle & Pedestrian Path \$500,000
4. Interstate 5: North Coast HOV/ML/BRT \$1 million
5. Interstate 5/56 connectors \$6 million
6. Heritage Bridge (Chula Vista/Otay Mesa) \$3.5 million
7. Skyline Dr. Landscape Medians (Sears/58th) \$1 million
8. Shoal Creek Pedestrian Bridge \$1.5 million

9. Grade Separation: 32 nd Street (I-15/Harbor Dr)	\$1 million
10. SR 11: 905 to new East Otay Port of Entry	\$1 million
11. Interstate 15: Managed Lanes	\$1 million
12. Hwy 94 Truck Lane	\$500,000
13. I-8/Hwy 94 IC (Surface/Truck In-Boulevard)	\$3 million
14. Cesar Chavez Parkway – Grade Separation	\$500,000
15. Truck Lane: Britannia to Otay Mesa POE	\$4 million
16. San Diego Trolley Station/Museum Access	\$1 million
17. Interstate 5: Sorrento Vly & Genessee IC	\$2 million
18. 905: Otay Mesa POE to I-805	\$15 million
19. Mission Valley East Transit Line	\$64 million (Most spent)
20. San Diego Mid-Coast Trolley Extension	No Dollar Amount
21. Los Angeles-San Diego Rail Improvements	No Dollar Amount
22. SD & AE Rail Road	Language Change
23. Bus Rapid Transit	No Dollar Amount
24. Joint Transportation Operations Center	\$500,000
25. SR 52 East Improvements	\$7.5 million
26. Complete I5/I8 Connectors	\$6 million

Other Regional projects include:

1. Bear Valley Parkway	\$2 million
2. Poinsettia Lane Construction	\$2 million
3. North Island SR 75 Access Tunnel	\$5 million
4. SR 67 Improvements	\$5 million
5. National City: Lonestar Road	\$500,000
6. National City Marine Cargo Terminal	\$3 million
7. I805-SR54 Interchange Sound Wall	\$850,000
8. San Diego County	\$4 million
9. SR 76: Widening Melrose to I-15	\$5 million
10. I-5: North Coast	\$1 million
11. I-5/SR 78 Interchange Improvements	\$5 million
12. Chula Vista Bike Path	\$300,000
13. Sprinter Transit Line	\$47 million
14. Sprinter Transit Extension	No Dollar amount
15. Chula Vista Bus Rapid Transit	No Dollar Amount
16. Escondido Bus Maintenance Center	\$500,000
17. Solana Beach Bus	\$1.5 million
18. East County Bus Maintenance	\$2 million
19. San Luis Rey Bus	\$500,000
20. Children's Village Ranch Road	\$1 million
21. I-5/H Street IC/Chula Vista	\$2.7 million

Assessment:

- The City of San Diego supports the House project lists – and seeks similar project funding in the Senate version

Transit Issues

The San Diego Regional Transportation Plan anticipates the following goals within the legislation's 6 year time frame:

- Completion of Mission Valley Extension
- Completion of Escondido to Oceanside Sprinter
- Start construction of Mid-Coast Trolley Line
- Inaugurate "Bus Rapid Transit" program that serves as the backbone of the region's "Transit First" strategy
- Start construction of Sprinter Extension
- Some Coaster bridge replacement projects possible

An important goal will be to assure that transit funding is available for "bus rapid transit" (BRT) – as past transit programs have sometimes favored rail projects over bus projects.

Assessment

Transit funding is a contentious issue in the reauthorization debate. The House funding level of \$52.3 billion is adequate to meet funding levels anticipated by the San Diego Regional Transportation Plan through 2011.

Funding for Bus Rapid Transit (BRT) is provided by the transit "Small Start" Program, and, is built into the earmarks for several highway projects listed above. These funding sources will be revisited during Senate consideration of the bill.

The Administration proposes to eliminate the Bus & Bus Facilities program.

Border Issues

San Diego serves as a through-way for the busiest international border crossing in the world. The majority of this traffic is destined for areas outside of the San Diego region; much of it outside California. Our regional priority has been to identify appropriate federal funding to address projects which ultimately benefit other regions of the country. \$800 million was dedicated to border and trade corridors in the last 5 year program.

The funding level in both the Senate and House proposals has increased from \$800 million to \$1 billion. The House bill proposes to separate the borders program from the trade corridor program. 5 separate goods movement programs are created.

Assessment

- Support \$1 billion border program funding level
- Support House separation of border and corridor programs
- Support creation of 5 goods movement programs

Environmental reforms

States that have extensive project review requirements to ensure environmental protection, have sought ways to eliminate duplication of federal requirements – resulting in faster opening of new transportation projects.

Assessment

The Senate proposal contains planning review expedite provisions. No clear consensus has yet emerged on a final proposal.

Equity- Minimum Guarantee

Federal funding formulas allocate funds between states based on several factors, such as the relative population and size of individual states, the differing costs associated with building and maintaining roads in different locations and climates. To ensure “fairness”, the formulas contain a “minimum guarantee” that require each state to receive at least some minimum percentage of the contributions its citizens make to the Transportation Trust Fund. Historically, California has received between 85 and 90% of the funds contributed. In fairness, it must be noted that California receives more than a 100% “return” on certain transit funding programs.

Assessment:

The House bill does NOT contain a provision to increase the minimum guarantee. To hold harmless those states receiving more than 100% of their share currently, the total funding level for the program would have to be increased – and a disproportionate share of these funds would have to be directed to donor states.

Minimum Guarantee

Current Law	90.5%
Admin	90.5%
House	90.5% with a re-opener clause
Senate	Equity bonus program is added to MG calculations. All donor States are expected to reach 95% rate of return for 2004-2009

Assessment

- Seek HIGHER minimum guarantee in Senate bill
- Lacking a higher minimum guarantee, support “Re-Opener provision” that suspends funding if Congress does not identify a means of getting

to:	<u>Funding Level</u>	<u>Year</u>
	92 percent	2006
	93 percent	2007
	94 percent	2008
	95 percent	2009

Outlook

- The US Senate anticipates committee consideration in middle to late March.
- House-Senate Conference is anticipated in April & May
- Conference Report anticipated prior to Memorial Day Recess